



MONTANA STATE HOSPITAL POLICY AND PROCEDURE

REVOLVING CASH CHECKING (CONTINGENCY) ACCOUNT

Effective Date: November 17, 2004

Policy #: BS-09

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- I. PURPOSE:** To establish policy and procedure under which a Contingency Check is to be utilized in lieu of a Pay Voucher.
- II. POLICY:** The Revolving Cash Account consists of monies withdrawn from a treasury account to establish a local checking account to be used to make disbursements where timing needs cannot be met by the present voucher system.
- III. DEFINITIONS:** None
- IV. RESPONSIBILITIES:**
 - A. The Accountant is responsible for following this policy and for the management of the Revolving Cash Checking (Contingency) Account.
 - B. The Chief Financial Officer is responsible to ensure that appropriate procedures are in place allowing accuracy of the Revolving Cash Checking (Contingency) Account.
- V. PROCEDURE:**
 - A. The following detailed procedures set forth how money is to be withdrawn from and deposited to the Revolving Cash Account.
 - B. The Revolving Cash Account is to be used only for purposes demanding immediate payments and are generally limited to the following purposes:
 - a. Purchase of less than \$25.00
 - b. Shipping charges requiring immediate payment
 - c. Emergency travel advances if a warrant cannot be issued in a timely manner
 - d. Postage not to include reimbursement of postage machines
 - e. Emergency payroll disbursements only if authorized by Central Payroll
 - f. Publications requiring cash orders
 - g. Invoices requiring immediate payment for discount eligibility
 - h. Gas payment in lieu of bus ticket for Patients without funds when discharged
 - i. Training registration fees if a warrant cannot be issued in a timely manner

C. PAYMENT PROCEDURES

1. **Every** request must be submitted using the Contingent Check Request Form (Attachment A). The individual requesting a payment from the Contingency Account initiates the request. The request along with supporting documentation is then submitted to the Accounting Clerk for appropriate coding. The Accountant or Chief Financial Officer approves/disapproves the request and submits to either the Accounting Clerk or Payroll Technician for processing.
2. The Accounting Clerk or Payroll Technician attaches the check to the properly authorized documentation and presents to **two** of the authorized signatories for signature.
3. Signatories authorized are the Chief Financial Officer, Accounting Supervisor, Accountant, Purchasing Agent, Director of Nursing, and the Director of Health Information. After two signatures are received, the check is properly delivered. If the check is delivered in person to the payee or designee, the Contingent Check Request Form is to be signed by the receiving party. If the check is to be mailed, the mailing information of address and date is to be completed on the Contingent Check Request Form. The Contingent Check Request Form and supporting documentation for withdrawal is kept at the Business Office for replenishment and reconciliation purposes.

D. REPLENISHMENT PROCEDURES

1. The Accounting Clerk prepares the Cost Distribution Voucher indicating the appropriate responsibility center and object of expenditure. This Voucher is then presented to the Accountant for approval. After approval is granted, the Voucher and supporting documentation are sent to the Claims Technician for processing of a Pay Voucher.
2. The Accounting Clerk receives the **original** receipt and one copy along with the Warrant. The **original receipt** is filed with the replenishment request. The **second copy** is retained and attached to the duplicate deposit ticket for the Contingency Account. The Accountant or Chief Financial Officer reviews and approves the deposit.

E. RECONCILIATION PROCEDURES

1. The Accountant reconciles the Contingency Account using Form AD-10 on a monthly basis as soon after the receipt of the monthly bank statement as possible but no later than the 15th of the month.

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- VI. REFERENCES:** None
- VII. COLLABORATED WITH:** Chief Financial Officer, Accountant, and Hospital Administrator.
- VIII. RESCISSIONS:** HOPP #12-02C.080684, *Revolving Cash Checking (Contingency) Account*, dated August 6, 1984.
- IX. DISTRIBUTION:** All hospital policy manuals
- X. REVIEW AND REISSUE DATE:** November 2007
- XI. FOLLOW-UP RESPONSIBILITY:** Chief Financial Officer
- XII. ATTACHMENTS:**
- A. Contingent Check Request

_____/_____/_____
Tracey Sweeney Date
Chief Financial Officer